

## Message Text

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ACTION ARA-10

INFO OCT-01 ISO-00 ERDA-05 AID-05 CEA-01 CIAE-00 CIEP-01

COME-00 DODE-00 EB-07 FPC-01 H-01 INR-07 INT-05 L-02

NSAE-00 NSC-05 OMB-01 PM-03 SAM-01 OES-03 SP-02 SS-15

STR-01 TRSE-00 FRB-03 FEA-01 PA-01 PRS-01 USIA-06

/089 W

----- 000982

R 211535Z FEB 75

FM AMEMBASSY SAN JOSE

TO SECSTATE WASHDC 9418

INFO AMEMBASSY GUATEMALA

AMEMBASSY MANAGUA

AMEMBASSY PANAMA

AMEMBASSY SAN SALVADOR

AMEMBASSY TEGUCIGALPA

AMEMBASSY CARACAS

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GUATEMALA ALSO FOR ROCAP

E.O. 11652: N/A

TAGS: EFIN, CS

SUBJECT: VENEZUELA OIL SCHEME

REF: A) STATE 031596; B) SAN JOSE 0505 (NOTAL)

1. IN RESPONSE TO REFTEL, THE EMBASSY CHECKED WITH THE ACCOUNTING DIRECTOR OF THE CENTRAL BANK WHO WILL BE HANDLING THE VENEZUELAN OIL FUND IN CBHTA RICA. THE DIRECTOR STATED THAT IN GENERAL THE SCHEME WILL OPERATE IN THE MANNER DESCRIBED IN REFTEL (A); HOWEVER, THE CENTRAL BANK HAS APPARENTLY SEEN NOTHING BUT THE GENERAL AGREEMENT AND WILL NOT BE AWARE OF THE EXACT MECHANICS OF THE FUND UNTIL A

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VENEZUELAN TEAM BRINGS THEM A COPY OF THE REGULATIONS. THE

VENEZUELAN TEAM IS EXPECTED TO VISIT COSTA RICA DURING THE FIRST WEEK OF MARCH. PRESUMABLY IT IS AT THIS TIME THAT THE FUND WILL BE SET UP SINCE IT IS NOT IN EXISTENCE SO FAR.

2. IN ANSWER TO THE DEPARTMENT'S QUESTIONS THE DIRECTOR STATEED THAT HE DOES NOT KNOW IF AN ACTUAL TRANSFER OF FUNDS WILL OCCUR ALTHOUGH THIS IS A POINT THAT THE VENEZUELAN TEAM WILL CLARIFY. HE BELIEVES THAT THE FUNDS DEPOSITED AGAINST TMH SIX-YEAR CD'S CANNOT BE UTILIZED BY THE GOCR. HE STATED THAT THE 8 PERCENT INTEREST TO BE PAID ON THEM COULD BE REVISED DOWNWARD IF INTERNATIONAL INTEREST

RATES DECLINE IN THE FUTURE.

3. EMBASSY COMMENT: EMBASSY WILL SEEK FURTHER CLARIFICATION OF SCHEME AS MORE INFORMATION BECOMES AVAILABLE LOCALLY. AS WE SEE IT, IT APPEARS AS IF A REAL OUTFLOW WILL OCCUR IN THE INTIAL STATE WHEN IT STATE REFINERY PAYS FOR CRUDE OIL IMPORTS BUT THAT A CORRESPONDING REAL INFLOW WILL NOT OCCUR UNTIL THE FUNDS ARE LOANED FOR AGREED PROJECTS. IN COSTA RICA'S CASE THIS WILL HAPPEN QUICKLY BECAUSE THE FUNDS WILL

BE DRAWN DOWN TO PAY THE LOCAL COSTS OF APPROVED INTERNATIONAL PROJECTS, A TYPE OF TTRANSACTION WHICH WILL NOT BE SUBJECT TO VETO WE UNDERSTAND.

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## Message Attributes

**Automatic Decaptoning:** X  
**Capture Date:** 01 JAN 1994  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** FUND ALLOTMENT, PETROLEUM, ECONOMIC ASSISTANCE, DEVELOPMENT PROGRAMS  
**Control Number:** n/a  
**Copy:** SINGLE  
**Draft Date:** 21 FEB 1975  
**Decapton Date:** 01 JAN 1960  
**Decapton Note:**  
**Disposition Action:** RELEASED  
**Disposition Approved on Date:**  
**Disposition Authority:** GolinoFR  
**Disposition Case Number:** n/a  
**Disposition Comment:** 25 YEAR REVIEW  
**Disposition Date:** 28 MAY 2004  
**Disposition Event:**  
**Disposition History:** n/a  
**Disposition Reason:**  
**Disposition Remarks:**  
**Document Number:** 1975SANJO00747  
**Document Source:** CORE  
**Document Unique ID:** 00  
**Drafter:** n/a  
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**Executive Order:** N/A  
**Errors:** N/A  
**Film Number:** D750063-0217  
**From:** SAN JOSE  
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**Office:** ACTION ARA  
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**Original Handling Restrictions:** n/a  
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**Original Previous Handling Restrictions:** n/a  
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**Previous Handling Restrictions:** n/a  
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**Secure:** OPEN  
**Status:** NATIVE  
**Subject:** VENEZUELA OIL SCHEME  
**TAGS:** EFIN, CS  
**To:** STATE  
**Type:** TE  
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